



COOPER COUNTY, MISSOURI

TWO YEARS ENDED DECEMBER 31, 1998

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-90
September 30, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 1999

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Cooper, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Cooper County was a financial and compliance audit of various county operating funds.

- < The county does not have a procedure in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The county's SEFA contained numerous errors and omissions. An accurate SEFA is necessary to ensure federal financial activity is audited and reported in accordance with federal requirements.

The audit also includes some other matters upon which the county should consider and take appropriate corrective action.

Copies of the audit are available upon request.

YELLOW SHEET

COOPER COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Cooper County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Cooper County, Missouri, as of and for the years ended December 31, 1998 and 1997, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

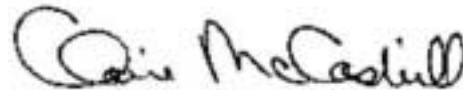
The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Cooper County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Cooper County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Cooper County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1998 and 1997, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

Cooper County, Missouri, has not presented the disclosures required by Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, that the GASB has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the county is or will become year 2000-compliant, that the county's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the county does business are or will become year 2000-compliant.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 12, 1999, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

July 12, 1999 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Cooper County, Missouri

We have audited the special-purpose financial statements of various funds of Cooper County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated July 12, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

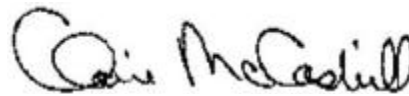
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Cooper County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to the management of the county in the accompanying Letter on Other Matters.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Cooper County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material

weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Letter on Other Matters.

This report is intended for the information of the management of Cooper County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is written in a cursive, flowing style. The first name "Claire" is written with a large, looped 'C' and the last name "McCaskill" follows in a similar cursive script.

Claire McCaskill
State Auditor

July 12, 1999 (fieldwork completion date)

Financial Statements

Exhibit A-1

COOPER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 1,217,270	1,611,555	1,656,152	1,172,673
Special Road and Bridge	314,026	1,050,583	1,118,063	246,546
Assessment	1,800	139,737	135,341	6,196
Law Enforcement Training	2,500	6,401	6,421	2,480
Prosecuting Attorney Training	6,016	1,845	2,459	5,402
Prosecuting Attorney Bad Check & Administrative Fee	39,657	14,291	18,481	35,467
Prosecuting Attorney Tax Incentive Payment	2,503	12	2,515	0
Prosecuting Attorney Federal Forfeiture	4,507	213	781	3,939
Recorder of Deeds User Fee Account	32,184	10,280	2,355	40,109
Treasurer Adult Abuse	1,183	750	1,687	246
Road and Bridge Trust	396,206	551,908	748,807	199,307
Enhanced 911	350,414	282,300	208,866	423,848
Overton-Wooldridge Levee District #1	40,110	24,510	7,107	57,513
Law Enforcement Center	0	485,053	324,854	160,199
Sheriff Civil Fees	15,065	35,114	17,496	32,683
Law Library	8,510	7,905	8,510	7,905
Neighborhood Improvement District #1	1,124	8,271	0	9,395
Associate Division Interest	18,320	4,151	0	22,471
Circuit Clerk Interest	6,807	3,788	305	10,290
Probate Division Interest	571	35	0	606
Sheriff Interest	788	3,056	0	3,844
Expendable Cemetery Trust	2,629	397	800	2,226
Total	\$ 2,462,190	4,242,155	4,261,000	2,443,345

The accompanying Notes to the Financial Statements are an integral part of this statement.

COOPER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1997

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 1,173,076	1,628,186	1,583,992	1,217,270
Special Road and Bridge	192,299	954,370	832,643	314,026
Assessment	3,773	158,202	160,175	1,800
Law Enforcement Training	2,185	5,733	5,418	2,500
Prosecuting Attorney Training	5,649	2,712	2,345	6,016
Prosecuting Attorney Bad Check & Administrative Fee	31,177	13,433	4,953	39,657
Prosecuting Attorney Tax Incentive Payment	9,909	432	7,838	2,503
Prosecuting Attorney Federal Forfeiture	38,818	1,326	35,637	4,507
Recorder of Deeds User Fee Account	23,642	8,542	0	32,184
Treasurer Adult Abuse	477	706	0	1,183
Road and Bridge Trust	327,974	666,493	598,261	396,206
Enhanced 911	300,552	288,967	239,105	350,414
Overton-Wooldridge Levee District #1	66,927	19,419	46,236	40,110
Sheriff Civil Fees	0	15,065	0	15,065
Law Library	5,140	8,510	5,140	8,510
Neighborhood Improvement District #1	188,408	21,716	209,000	1,124
Associate Division Interest	17,345	3,202	2,227	18,320
Circuit Clerk Interest	5,116	1,751	60	6,807
Probate Division Interest	534	37	0	571
Sheriff Interest	4,952	3,678	7,842	788
Substance Abuse Traffic Offenders' Program	250	13,019	13,269	0
Expendable Cemetery Trust	2,219	410	0	2,629
Total	\$ 2,400,422	3,815,909	3,754,141	2,462,190

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

COOPER COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

Year Ended December 31,							
1998				1997			
			Variance			Variance	
			Favorable			Favorable	
	Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)	
RECEIPTS							
Property taxes	\$	129,500	155,836	26,336	146,500	121,652	-24,848
Sales taxes		525,000	521,297	-3,703	500,000	527,125	27,125
Intergovernmental		402,200	484,497	82,297	351,492	449,711	98,219
Charges for services		197,800	177,802	-19,998	233,300	208,369	-24,931
Interest		75,000	82,870	7,870	80,000	75,518	-4,482
Other		1,000	15,253	14,253	1,250	9,259	8,009
Transfers in		28,000	174,000	146,000	27,552	236,552	209,000
Total Receipts		1,358,500	1,611,555	253,055	1,340,094	1,628,186	288,092
DISBURSEMENTS							
County Commission		72,996	71,169	1,827	72,734	72,223	511
County Clerk		65,480	63,970	1,510	62,961	60,696	2,265
Elections		61,950	53,575	8,375	34,690	31,075	3,615
Buildings and grounds		178,000	103,711	74,289	316,150	210,567	105,583
Employee fringe benefits		130,500	117,154	13,346	132,500	111,663	20,837
County Treasurer		26,762	26,423	339	29,962	28,124	1,838
County Collector		72,500	68,596	3,904	87,701	85,933	1,768
Circuit Clerk & Ex Officio							
Recorder of Deeds		45,975	42,054	3,921	46,289	39,585	6,704
Associate Circuit Court		20,704	17,335	3,369	24,260	14,763	9,497
Court Reporter & Court Administration		43,604	24,941	18,663	43,598	34,638	8,960
Public Administrator		17,060	17,057	3	16,350	17,348	-998
Other general county government		44,800	68,096	-23,296	36,500	29,852	6,648
Contract Services		45,700	39,700	6,000	41,000	41,000	0
Sheriff		205,112	438,680	-233,568	297,847	307,625	-9,778
Child Support Division		79,962	77,396	2,566	79,632	78,470	1,162
Jail		142,600	22,880	119,720	0	58,130	-58,130
Prosecuting Attorney		85,460	85,015	445	73,324	76,045	-2,721
Juvenile Officer		58,903	57,320	1,583	85,218	50,535	34,683
County Coroner		10,430	10,644	-214	10,430	8,664	1,766
Other public safety		74,772	38,321	36,451	90,828	33,363	57,465
Public health and welfare services		167,814	163,227	4,587	154,289	134,900	19,389
Capital improvements		0	0	0	208,000	8,728	199,272
Transfers out		145,520	48,888	96,632	43,943	50,065	-6,122
Emergency Fund		54,950	0	54,950	142,155	0	142,155
Total Disbursements		1,851,554	1,656,152	195,402	2,130,361	1,583,992	546,369
RECEIPTS OVER (UNDER) DISBURSEMENTS		-493,054	-44,597	448,457	-790,267	44,194	834,461
CASH, JANUARY 1		1,217,270	1,217,270	0	1,173,076	1,173,076	0
CASH, DECEMBER 31	\$	724,216	1,172,673	448,457	382,809	1,217,270	834,461

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

COOPER COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

Year Ended December 31,						
1998				1997		
Budget	Actual	Variance Favorable (Unfavorable)		Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 320,468	407,431	86,963	325,500	323,831	-1,669
Intergovernmental	522,900	546,064	23,164	489,500	533,422	43,922
Charges for services	7,200	10,087	2,887	7,200	7,200	0
Interest	16,000	19,559	3,559	7,000	18,991	11,991
Other	0	1,800	1,800	200	10,926	10,726
Transfers in	100,000	65,642	-34,358	55,000	60,000	5,000
Total Receipts	966,568	1,050,583	84,015	884,400	954,370	69,970
DISBURSEMENTS						
Salaries	285,000	280,988	4,012	300,000	264,451	35,549
Employee fringe benefits	74,600	67,487	7,113	71,900	65,623	6,277
Supplies	113,000	90,831	22,169	132,500	98,302	34,198
Insurance	20,000	21,334	-1,334	15,000	18,425	-3,425
Road and bridge materials	155,000	145,547	9,453	145,000	136,460	8,540
Equipment repairs	50,000	53,476	-3,476	50,000	52,752	-2,752
Outside contracting	15,000	8,396	6,604	15,000	2,160	12,840
Equipment purchases and rentals	360,000	356,669	3,331	132,000	111,144	20,856
Construction, repair, and maintenance	1,500	3,761	-2,261	1,200	1,858	-658
Other	57,763	55,574	2,189	55,800	53,916	1,884
Transfers out	34,000	34,000	0	27,552	27,552	0
Total Disbursements	1,165,863	1,118,063	47,800	945,952	832,643	113,309
RECEIPTS OVER (UNDER) DISBURSEMENTS	-199,295	-67,480	131,815	-61,552	121,727	183,279
CASH, JANUARY 1	314,026	314,026	0	192,299	192,299	0
CASH, DECEMBER 31	\$ 114,731	246,546	131,815	130,747	314,026	183,279

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ASSESSMENT FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 120,000	126,516	6,516	122,330	120,128	-2,202
Charges for services	1,000	1,601	601	1,000	1,382	382
Interest	1,000	1,614	614	1,500	1,571	71
Other	0	6	6	0	121	121
Transfers in	26,632	10,000	-16,632	43,943	35,000	-8,943
Total Receipts	148,632	139,737	-8,895	168,773	158,202	-10,571
DISBURSEMENTS						
Assessor	148,632	135,341	13,291	168,773	160,175	8,598
Total Disbursements	148,632	135,341	13,291	168,773	160,175	8,598
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	4,396	4,396	0	-1,973	-1,973
CASH, JANUARY 1	1,800	1,800	0	3,773	3,773	0
CASH, DECEMBER 31	\$ 1,800	6,196	4,396	3,773	1,800	-1,973

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 5,500	6,046	546	7,000	5,516	-1,484
Interest	100	56	-44	200	151	-49
Other	0	299	299	0	66	66
Total Receipts	5,600	6,401	801	7,200	5,733	-1,467
DISBURSEMENTS						
Sheriff	8,000	6,421	1,579	8,000	5,418	2,582
Total Disbursements	8,000	6,421	1,579	8,000	5,418	2,582
RECEIPTS OVER (UNDER) DISBURSEMENTS	-2,400	-20	2,380	-800	315	1,115
CASH, JANUARY 1	2,500	2,500	0	2,185	2,185	0
CASH, DECEMBER 31	\$ 100	2,480	2,380	1,385	2,500	1,115

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY TRAINING FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 1,150	1,189	39	3,250	2,410	-840
Interest	200	281	81	275	302	27
Other	0	375	375	0	0	0
Total Receipts	1,350	1,845	495	3,525	2,712	-813
DISBURSEMENTS						
Prosecuting Attorney	1,350	2,459	-1,109	3,400	2,345	1,055
Total Disbursements	1,350	2,459	-1,109	3,400	2,345	1,055
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	-614	-614	125	367	242
CASH, JANUARY 1	6,016	6,016	0	5,649	5,649	0
CASH, DECEMBER 31	\$ 6,016	5,402	-614	5,774	6,016	242

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY BAD CHECK & ADMINISTRATIVE FEE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 11,000	12,364	1,364	11,000	11,676	676
Interest	1,350	1,745	395	1,150	1,757	607
Other	0	182	182	0	0	0
Total Receipts	12,350	14,291	1,941	12,150	13,433	1,283
DISBURSEMENTS						
Prosecuting Attorney	13,094	18,481	-5,387	9,082	4,953	4,129
Total Disbursements	13,094	18,481	-5,387	9,082	4,953	4,129
RECEIPTS OVER (UNDER) DISBURSEMENTS	-744	-4,190	-3,446	3,068	8,480	5,412
CASH, JANUARY 1	39,657	39,657	0	31,177	31,177	0
CASH, DECEMBER 31	\$ 38,913	35,467	-3,446	34,245	39,657	5,412

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY TAX INCENTIVE PAYMENT FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	0	0	0	0	29	29
Interest		0	12	12	400	403	3
Total Receipts		0	12	12	400	432	32
DISBURSEMENTS							
Prosecuting Attorney		2,338	2,515	-177	6,550	7,838	-1,288
Total Disbursements		2,338	2,515	-177	6,550	7,838	-1,288
RECEIPTS OVER (UNDER) DISBURSEMENTS		-2,338	-2,503	-165	-6,150	-7,406	-1,256
CASH, JANUARY 1		2,503	2,503	0	9,909	9,909	0
CASH, DECEMBER 31	\$	165	0	-165	3,759	2,503	-1,256

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY FEDERAL FORFEITURE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Interest	\$ 100	213	113	900	1,226	326
Other	0	0	0	0	100	100
Total Receipts	100	213	113	900	1,326	426
DISBURSEMENTS						
Prosecuting Attorney	3,250	781	2,469	33,000	35,637	-2,637
Total Disbursements	3,250	781	2,469	33,000	35,637	-2,637
RECEIPTS OVER (UNDER) DISBURSEMENTS	-3,150	-568	2,582	-32,100	-34,311	-2,211
CASH, JANUARY 1	4,507	4,507	0	38,818	38,818	0
CASH, DECEMBER 31	\$ 1,357	3,939	2,582	6,718	4,507	-2,211

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
RECORDER OF DEEDS USER FEE FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Charges for services	\$ 7,000	8,425	1,425	6,500	7,150	650
Interest	1,200	1,855	655	1,000	1,392	392
Total Receipts	8,200	10,280	2,080	7,500	8,542	1,042
DISBURSEMENTS						
Recorder of Deeds	12,800	2,355	10,445	13,050	0	13,050
Total Disbursements	12,800	2,355	10,445	13,050	0	13,050
RECEIPTS OVER (UNDER) DISBURSEMENTS	-4,600	7,925	12,525	-5,550	8,542	14,092
CASH, JANUARY 1	32,184	32,184	0	23,642	23,642	0
CASH, DECEMBER 31	\$ 27,584	40,109	12,525	18,092	32,184	14,092

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
TREASURER ADULT ABUSE

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Charges for services	\$	665	685	20	600	665	65
Interest		40	65	25	8	41	33
Total Receipts		705	750	45	608	706	98
DISBURSEMENTS							
Domestic violence shelter		1,888	1,687	201	1,085	0	1,085
Total Disbursements		1,888	1,687	201	1,085	0	1,085
RECEIPTS OVER (UNDER) DISBURSEMENTS		-1,183	-937	246	-477	706	1,183
CASH, JANUARY 1		1,183	1,183	0	477	477	0
CASH, DECEMBER 31	\$	0	246	246	0	1,183	1,183

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ROAD AND BRIDGE TRUST FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Sales taxes	\$	520,000	521,313	1,313	500,000	527,169	27,169
Intergovernmental		50,000	6,959	-43,041	30,000	115,680	85,680
Interest		20,000	23,636	3,636	15,000	22,242	7,242
Other		0	0	0	0	1,402	1,402
Total Receipts		590,000	551,908	-38,092	545,000	666,493	121,493
DISBURSEMENTS							
Construction, repair, and maintenance		840,000	680,621	159,379	790,000	537,818	252,182
Other		1,000	2,544	-1,544	1,000	443	557
Transfers out		100,000	65,642	34,358	60,000	60,000	0
Total Disbursements		941,000	748,807	192,193	851,000	598,261	252,739
RECEIPTS OVER (UNDER) DISBURSEMENTS		-351,000	-196,899	154,101	-306,000	68,232	374,232
CASH, JANUARY 1		396,206	396,206	0	327,974	327,974	0
CASH, DECEMBER 31	\$	45,206	199,307	154,101	21,974	396,206	374,232

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
ENHANCED 911 FUND

Year Ended December 31,						
1998				1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	\$ 260,000	260,589	589	240,000	263,553	23,553
Charges for services	0	276	276	400	364	-36
Interest	20,000	21,385	1,385	7,600	24,957	17,357
Other	0	50	50	0	93	93
Total Receipts	280,000	282,300	2,300	248,000	288,967	40,967
DISBURSEMENTS						
Contract services	105,000	103,589	1,411	98,445	97,870	575
Radio equipment	6,750	0	6,750	6,750	13,500	-6,750
Telephone service charges	100,000	68,177	31,823	100,000	101,754	-1,754
Salary	14,000	14,000	0	11,000	11,000	0
Other	26,600	23,100	3,500	47,400	14,981	32,419
Total Disbursements	252,350	208,866	43,484	263,595	239,105	24,490
RECEIPTS OVER (UNDER) DISBURSEMENTS	27,650	73,434	45,784	-15,595	49,862	65,457
CASH, JANUARY 1	350,414	350,414	0	300,552	300,552	0
CASH, DECEMBER 31	\$ 378,064	423,848	45,784	284,957	350,414	65,457

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit N

COOPER COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
OVERTON-WOOLDRIDGE LEVEE DISTRICT #1 FUND

		Year Ended December 31,					
		1998			1997		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS							
Property taxes	\$	11,124	10,963	-161	13,700	16,038	2,338
Intergovernmental		0	10,800	10,800	0	0	0
Interest		2,000	2,747	747	2,000	3,256	1,256
Other		0	0	0	0	125	125
Total Receipts		13,124	24,510	11,386	15,700	19,419	3,719
DISBURSEMENTS							
Levee repairs and maintenance		9,000	5,069	3,931	40,000	42,960	-2,960
Other		3,350	2,038	1,312	3,500	3,276	224
Total Disbursements		12,350	7,107	5,243	43,500	46,236	-2,736
RECEIPTS OVER (UNDER) DISBURSEMENTS		774	17,403	16,629	-27,800	-26,817	983
CASH, JANUARY 1		40,110	40,110	0	66,927	66,927	0
CASH, DECEMBER 31	\$	40,884	57,513	16,629	39,127	40,110	983

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit O

COOPER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT CENTER FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Sales taxes	\$ 250,000	325,513	75,513
Interest	0	3,005	3,005
Other	0	117,647	117,647
Transfers in	38,888	38,888	0
Total Receipts	288,888	485,053	196,165
DISBURSEMENTS			
Capital improvements	154,500	119,687	34,813
Other	3	156	-153
Debt Service	66,000	65,011	989
Transfers out	140,000	140,000	0
Total Disbursements	360,503	324,854	35,649
RECEIPTS OVER (UNDER) DISBURSEMENTS	-71,615	160,199	231,814
CASH, JANUARY 1	0	0	0
CASH, DECEMBER 31	\$ -71,615	160,199	231,814

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit P

COOPER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHERIFF CIVIL FEES FUND

Year Ended December 31,			
1998			
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Charges for services	\$ 30,000	34,217	4,217
Interest	0	897	897
Total Receipts	30,000	35,114	5,114
DISBURSEMENTS			
Equipment	26,000	17,496	8,504
Total Disbursements	26,000	17,496	8,504
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,000	17,618	13,618
CASH, JANUARY 1	15,065	15,065	0
CASH, DECEMBER 31	\$ 19,065	32,683	13,618

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

COOPER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Cooper County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Enhanced 911 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1998, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Library Fund	1998 and 1997
Neighborhood Improvement District #1 Fund	1998 and 1997
Associate Division Interest Fund	1998 and 1997
Circuit Clerk Interest Fund	1998 and 1997
Probate Division Interest Fund	1998 and 1997
Sheriff Interest Fund	1998 and 1997
Substance Abuse Traffic Offender's Program Fund	1997
Expendable Cemetery Trust Fund	1998 and 1997

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Prosecuting Attorney Training Fund	1998
Prosecuting Attorney Bad Check and Administrative Fee Fund	1998
Prosecuting Attorney Federal Forfeiture Fund	1997
Overton-Wooldridge Levee District #1 Fund	1997

Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

Although Section 50.740, RSMo 1994, requires a balanced budget, a deficit balance was budgeted in the Law Enforcement Center Fund for the year ended December 31, 1998.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Enforcement Training Fund	1997
Prosecuting Attorney Training Fund	1997
Prosecuting Attorney Bad Check and Administrative Fee Fund	1997
Prosecuting Attorney Tax Incentive Payment Fund	1997
Prosecuting Attorney Federal Forfeiture Fund	1997

Recorder of Deeds User Fee Account Fund	1997
Treasurer Adult Abuse Fund	1997
Overton-Wooldridge Levee District #1 Fund	1997
Law Library Fund	1997
Neighborhood Improvement District #1 Fund	1997
Associate Division Interest Fund	1997
Circuit Clerk Interest Fund	1997
Probate Division Interest Fund	1997
Sheriff Interest Fund	1997
Substance Abuse Traffic Offender's Program Fund	1997
Expendable Cemetery Trust Fund	1997

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1998, effective August 28, 1997, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 1998 and 1997, were entirely covered by federal depository insurance or by collateral securities held by the county's custodial bank in the county's name.

3. Use Tax Liability

The local use tax under Section 144.748, RSMo 1994, was struck down in its entirety by the Missouri Supreme Court in *Associated Industries of Missouri v. Director of Revenue*, 918 S.W.2d 780 (Mo. banc 1996). In *St. Charles County v. Director of Revenue*, 961 S.W.2d 44 (Mo. banc 1998), the Missouri Supreme Court ruled that local use taxes paid prior to the repeal of Section 144.748, RSMo 1994, must be refunded to taxpayers and authorized the Department of Revenue (DOR) to withhold amounts otherwise due to political subdivisions to the extent such withholding is necessary to cover the refund expense. On March 24, 1998, the Cole County Circuit Court entered final judgment in accordance with the Supreme Court's opinion and ordered the DOR to process refund claims filed.

The county has received \$252,915 in local use tax since its inception. The DOR has estimated the county's share of the total refund liability to be \$133,375. As of December 31, 1998, \$50,017 remains to be paid.

Supplementary Schedule

Schedule

COOPER COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			1998	1997
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state:			
	Department of Health -			
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ER0045-7126	0	26,247
		ER0045-8126	24,375	8,400
		ER0045-9126	10,675	0
	Program Total		35,050	34,647
	U.S. DEPARTMENT OF DEFENSE			
	Passed through state:			
	Office of Administration -			
12.112	Payments to States in Lieu of Real Estate Taxes	N/A	33,957	0
12.unknown	Department of Public Safety - surplus property	N/A	1,425	0
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Social Services -			
14.231	Emergency Shelter Grants Program	ER0-1640105	23,902	14,117
	U.S. DEPARTMENT OF JUSTICE			
	Direct programs:			
16.710	Public Safety Partnership and Community Policing ("Cops") Grants	95-CF-WX-2058	17,319	16,471
16.unknown	Equitable Sharing of Seized and Forfeited Property		781	35,637
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state Highway and Transportation Commission -			
20.205	Off-System Bridge Replacement and Rehabilitation Program	BR0-027(11)	0	46,564
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration -			
39.003	Donation of Federal Surplus Personal Property	N/A	32,882	45,980
	FEDERAL EMERGENCY MANAGEMENT AGENCY			
	Passed through state Department of Public Safety:			
83.534	Emergency Management - State and Local Assistance	N/A	7,959	11,950
83.516	Disaster Assistance	FEMA-1054-DR-M	0	38,977
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
	Department of Health -			
93.268	Immunization Grants	PG-0064-7126IAP	0	3,017
		PG-0064-8126IAP	3,065	1,890
		PG-0064-9126IAP	1,830	0
	Program Total		4,895	4,907
::	Department of Social Services -			
93.563	Child Support Enforcement	N/A	54,541	60,291
	Department of Health -			
93.575	Child Care and Development Block Grant	ER0146-7126CCNC	0	1,292
		ER0146-8126CCNC	1,210	457
		ER0146-9126CCS&SCS	435	0
	Program Total		1,645	1,749
93.667	Department of Social Services - Social Services Block Grant - Juvenile Court Division Services Program	ER0172044	1,128	185
93.994	Maternal and Child Health Services	ER0146-7126MCH	0	14,096
		ER0146-8126MCH	14,636	1,644
		ER0146-9126MCH	1,606	0
	Program Total		16,242	15,740
93.994	Comprehensive Family Planning Services	ER0175-7126FP	0	3,978
		ER0175-8126FP	3,174	1,380
		ER0175-9126FP	518	0
	Program Total		3,692	5,358
	Total Expenditures of Federal Awards		\$ 235,418	332,573

N/A - Not applicable

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Supplementary Schedule

COOPER COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Cooper County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Personal Property Program (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$23,902 and \$14,117 to a subrecipient under the Emergency Shelter Grants Program (CFDA number 14.231) during the years ended December 31, 1998 and 1997.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report

CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Cooper County, Missouri

Compliance

We have audited the compliance of Cooper County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Cooper County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance

with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 98-1.

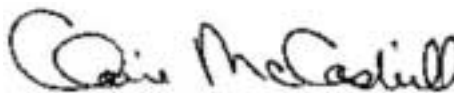
Internal Control Over Compliance

The management of Cooper County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 98-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information of the management of Cooper County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

July 12, 1999 (fieldwork completion date)

Schedule

COOPER COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 1998 AND 1997

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? yes X no

Reportable condition identified that is
not considered to be a material weakness? yes X none reported

Noncompliance material to the financial statements
noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness identified? yes X no

Reportable condition identified that is
not considered to be a material weakness? X yes none reported

Type of auditor's report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? X yes no

Identification of major programs:

CFDA or
Other Identifying

<u>Number</u>	<u>Program Title</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children

12.112 Payments to States in Lieu of Real Estate Taxes
 39.003 Donation of Federal Surplus Personal Property
 93.563 Child Support Enforcement
 93.994 Comprehensive Family Planning Services

Dollar threshold used to distinguish between Type A
 and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? _____ yes X no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

98-1. Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Agriculture
 Pass-Through Grantor: Department of Health
 Federal CFDA Number: 10.557
 Program Title: Special Supplemental Nutrition Program for Women, Infants, and
 Children

Pass-Through Entity
 Identifying Number: ER0045-7126, ER0045-8126, & ER0045-9126
 Award Years: 1998 and 1997
 Questioned Costs: Not Applicable

Federal Grantor: U.S. Department of Defense
 Pass-Through Grantor: Office of Administration
 Federal CFDA Number: 12.112
 Program Title: Payments to States in Lieu of Real Estate Taxes
 Pass-Through Entity
 Identifying Number: Not Applicable
 Award Year: 1998
 Questioned Costs: Not Applicable

Federal Grantor: General Services Administration

Pass-Through Grantor: Office of Administration
Federal CFDA Number: 39.003
Program Title: Donation of Federal Surplus Personal Property
Pass-Through Entity
Identifying Number: Not Applicable
Award Years: 1998 and 1997
Questioned Costs: Not Applicable

Federal Grantor: U.S. Department of Health and Human Services
Pass-Through Grantor: Department of Social Services
Federal CFDA Number: 93.563
Program Title: Child Support Enforcement
Pass-Through Entity
Identifying Number: Not Applicable
Award Years: 1998 and 1997
Questioned Costs: Not Applicable

Federal Grantor: U.S. Department of Health and Human Services
Pass-Through Grantor: Department of Social Services
Federal CFDA Number: 93.994
Program Title: Comprehensive Family Planning Services
Pass-Through Entity
Identifying Number: ERO175-7126FP, ERO175-8126FP, & ERO175-9126FP
Award Years: 1998 and 1997
Questioned Costs: Not Applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the schedule of expenditures of federal awards to the State Auditor's Office as a part of the annual budget.

The county does not have a procedure in place to track federal financial assistance for the preparation of the SEFA. The county's Schedule of Federal Awards contained numerous errors and omissions. For example, expenditures related to federal grants received through the county nursing service and also the prosecuting attorney for child support enforcement were not included on the schedules. In addition, several federal grant expenditures were overstated as a result of the county including matching funds in the expenditure totals.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal requirements which could result in future reductions of federal funds.

WE RECOMMEND the County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Clerk will implement this recommendation. Each official and department will be requested to provide information regarding federal programs and the federal dollars expended by the county. This should result in a more complete and accurate Schedule of Expenditures of Federal Awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

COOPER COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

COOPER COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the two years ended December 31, 1996, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

SECTION ON OTHER MATTERS

COOPER COUNTY, MISSOURI LETTER ON OTHER MATTERS

We have audited the special-purpose financial statements of various funds of Cooper County, Missouri, as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated July 12, 1999. We also have audited the compliance of Cooper County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 1998 and 1997, and have issued our report thereon dated July 12, 1999.

We did not review the operations of elected officials with funds other than those presented in the special-purpose financial statements. The operations of such officials will be reviewed and reported on during the state auditor's next scheduled audit of the county.

This Letter on Other Matters presents matters other than the findings, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These matters resulted from our audit of the special-purpose financial statements of Cooper County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*. Nevertheless, the county should consider these matters and take appropriate corrective action.

1. County Budgets

Budgets were not prepared for some county funds. In addition, due to inadequate monitoring efforts, disbursements were made in excess of approved budgeted amounts for some funds.

2. Procurement Procedures

The county contracted with an architect and bond underwriter for the design, construction administration, and financing of a new law enforcement center. Although the County Commission solicited proposals from and interviewed other firms, documentation of the decision making process was not adequate.

3. Personnel Policies and Procedures

A written policy regarding overtime and compensatory time has not been adopted for the Sheriff's department. Several deputies were allowed to take compensatory time off in excess of compensatory time earned. Time sheets for deputies do not indicate the Sheriff's approval and are not submitted to the County Clerk's office.

This Letter on Other Matters is intended for the information of the management of Cooper County, Missouri, and other applicable government officials. However, this letter is a matter of public record and its distribution is not limited.